

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1698 – HB 2557

February 23, 2016

SUMMARY OF ORIGINAL BILL: Authorizes a county to, upon the adoption of a resolution by a two-thirds majority vote of its legislative body, impose a privilege tax on litigation on all civil cases, except any original proceedings brought in juvenile courts, in an amount not to exceed \$25 per case. Requires any revenue collected from such tax to be used exclusively for personnel and operating costs of the circuit court.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue – Up To \$7,912,500/Permissive

SUMMARY OF AMENDMENT (012775): Establishes that the authorization to impose a privilege tax in the original bill only applies to Williamson County.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Revenue – Up To \$228,700/Permissive

Assumptions for the bill as amended:

- The fiscal impact of the bill as amended is dependent upon the number of civil cases in Williamson County that the tax would be assessed upon, and the dollar amount of the tax assessed on such cases.
- Any increase in local revenue pursuant to the bill as amended will be permissive.
- Based on information provided by the Department of Revenue, it is estimated that there were approximately 316,500 civil cases statewide in FY14-15.
- According to the 2010 census, Williamson County population represents approximately 2.89 percent of the total state population (183,182 / 6,346,105).
- The total number of civil cases that the proposed privilege tax will be imposed upon is estimated to be 9,147 (316,500 x 2.89%). This number is assumed to remain constant in subsequent years.
- The maximum permissive and recurring increase in local revenue as a result of this bill as amended is estimated to be \$228,675 (9,147 civil cases x \$25.00 maximum privilege tax).

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- Any increase in local government expenditures for counties that adopt a resolution to assess the privilege tax is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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